



EBT WIRELESS PROJECT February 09 Newsletter



DHS

From the Editor – Jan Walters

Total Transactions	EBT Transactions	Total Sales on Wireless
2008 Total 27,670	4252 (15.4% of total)	\$724,404
January 09 265	17 (6.4%)	\$14,678

With the current economy, it is no surprise that the sales for January 09 are down slightly from a year ago. In January 08, total sales were \$14, 753. There were 265 transactions in 1/09 and 345 a year ago. What is interesting is that the average transaction amount in 1/08 was \$41.35 compared to \$55.39 this year. So, even with fewer transactions, people spent almost the same amount of money.

A suggestion on the survey forms was to include more information about what markets were experiencing EBT, debit/credit sales. Here are interesting facts regarding January sales:

- Eight (8) vendors had EBT sales in January. Six (6) of them are selling in the Davenport/Bettendorf area. Since Davenport has an indoor, year round market, I am assuming that they will continue to see EBT sales this winter.
- I looked at the vendors whose sales were greater than \$500 this month. The items sold by these vendors included: salsa, honey, meat, jam/jelly, pies and greenhouse operations. Several of these vendors are selling their products in stores, craft shows, through the Internet, etc. These vendors are either located in the Des Moines area, Ames, or eastern Iowa around Davenport/Bettendorf.

Growth in Food Assistance Households

The number of Food Assistance (EBT) households in Iowa has risen dramatically as the economy has worsened over the past few months. As of December 2008, there were 129,817 EBT households in Iowa. This translates into 281,801 people receiving Food Assistance. One year ago, there were only 112,647 households. This is a 15.2% increase in the number of households. DHS issued \$31,021,961 in Food Assistance benefits for the month of December compared to \$24,250,619 a year ago. This is a 27.9% increase in benefits from a year ago.

The average Food Assistance benefit per household in December 2008 was \$238.97

To apply for Food Assistance benefits, you can go into the local DHS office or now apply online. If you know anyone who may be eligible, here is the website:

<https://dhssecure.dhs.state.ia.us/yesfood/>

Ideas or Comments from Your Survey Forms

We are wrapping up the review on your completed survey forms. Thanks again for sending them back to us. There were several excellent ideas that we are going to incorporate this year. Here are the changes:

1. Next year's survey form will be send electronically to everyone who has an email address. This will save paper and postage.
2. Let EBT customers know that vendors are willing to help them select the right produce for them and give some tips on how to prepare or store the produce. We'll add some language to the brochure we produce.
3. Follow up with new vendors. Even though we try to contact farmers who have zero sales two consecutive months, we plan on contacting each new vendor the first month that they have the machine to see how they're doing. Remember, you can contact Jan or Tracy any time you have problems or questions.
4. One of you stated that you only had one machine and needed 3 to take to other markets at the same time. If anyone would like additional equipment, contact Tracy Penick (515) 281-5545 or tpenick@dhs.state.ia.us. You can rent or purchase as many machines as you want. To rent an additional machine, it will cost you \$30 for the monthly rental fee plus \$18.95 for the monthly wireless fee. We have several farmers who rent additional machines. The advantage with a rental machine is that you can close it down whenever you want.
5. One of you suggested getting the client perspective for the newsletter. This one may be a little more difficult, but we will see if we can contact a couple of EBT shoppers and get their permission to write something for the newsletter. It would be interesting to get their viewpoint on farmers markets.
6. Another idea was to add a 'good idea' column for the newsletter. I know that many of you are creative visionaries and have lots of ideas. We will plan on adding this column next month. Here's a couple of ideas - Has anyone used the red plastic mulch for tomatoes? What were your results? Better production? No change? Has anyone used or tried Tansy as a natural squash bug/beetle repellent for pumpkins?

Fees, Fees & More Fees

Two letters or emails were sent to you January. One was regarding the PCI Compliance Fee and the other letter addressed a new service from Total Merchant Services (TMS). **Here is a repeat of the article in the January newsletter:**

PCI Compliance Fee- PCI means Payment Card Industry. TMS passed along a \$69 one-time compliance fee to all their merchants. TMS mailed you information about this fee with the November statement. You should have received that statement the end of November. The PCI fee appeared on your December statement and was deducted from your bank account around 1-1-09. Processors, who transmit credit card transactions had to improve their networks/system to ensure protection of customer data, such as credit card numbers. Companies upgraded firewalls, software and hardware. Some processors passed these costs on to their merchants. Because the PCI fee is related only to credit transactions, it is not a cost that we can reimburse you for. Like you, DHS was surprised to learn about the fee. DHS has written a request to Total Merchant Services asking them to re-consider charging you this PCI fee. **Because of the public service you provide by accepting EBT, most of you have moderate to low sales volume, and the fact that the number of Food Assistance households are at a all-time high, we've asked TMS if they will refund you the \$69 PCI fee.** **(Update: 2-5-09: We are still waiting to hear back**

from TMS on this issue.) Unfortunately, with the state of the current economy, these additional fees caused a hardship for some of you. Some of you had overdraft fees because of the PCI fee. We deeply regret that these problems occurred.

(FYI: We did receive a call from one of you, who reported that they had contacted TMS about an overdraft fee. The individual had been in the hospital during December and had not read the statement about the PCI fee. He politely explained the situation and TMS agreed to refund the overdraft fee to the farmer.)

PCI is very important to understand. Those of you who hand-key credit card numbers, do phone sales, internet sales, have an obligation to make sure that the credit card number is properly secured or destroyed once you do not need that number any longer. For example: You need to shred the information versus throwing it in the trash where someone could find the information. Please refer to the TMS website www.compliancefacts.com to learn more about protecting customer information.

Merchant Advantage/Online Advantage Program Fee - Information about this fee appeared on your December statement. These fees are \$9.95 or \$4.95 per month. It is an extra level of service that TMS is going to offer. **Because our Wireless Project is unique and we have special arrangements with TMS, TMS decided to exclude you from this fee. TMS is going to automatically opt you out of the service, as this would be a duplication of what we're already receiving from TMS.** These fees will not be charged to your account.

These two issues have shown us that it is important to carefully review your monthly statement from Global/TMS. We've asked TMS to share any information about fees, etc to DHS in advance so we can research the situation and do some problem solving on your behalf. If you have any questions on fees, reimbursements, you can always contact Tracy or Jan.

Because of these two issues, a few farmers have dropped from the EBT Wireless Project. When these type of situations arise, we hope that you will call us and allow us to work through the situation before deciding to quit taking EBT and giving up your wireless device. Each of you are important to the EBT Wireless Project and provide a needed service to low income Iowans. Yet, with the current economy, the increased cost of inputs, and the uncontrollable weather, we realize that each new fee means that you have sell more products or increase your prices to make up the difference. We want to assure you that we are going the extra mile on your behalf.

Radish Honors for Cindy Heilmann - Heilmann's Hawkeye Acres

The Radish Magazine recently published their 'Radish Awards'. Radish Magazine covers eastern Iowa and western Illinois. Radish selected ten stories that best reflects the mission of the magazine. Each recipient of the award had to be involved in an activity that in some way reflected a grassroots commitment to healthy living.

Cindy worked hard to get the USDA certification as an organic producer in 2008. Her family moved from Morrison Illinois to rural Iowa in 1997, where they built a log cabin. At the farmers markets, she sells mostly fruits and vegetables but occasionally sells hormone, steroid-free beef. Last year, her garden included 41 variety of produce, including 400 tomato plants. Last fall, she planted 3,000 heads of garlic by hand. Her philosophy is to amend the soil by adding nutrients, such as calcium, not chemicals.

Congratulations Cindy on your award. It is great that Iowa farmers's like you are so hard working and conscientious that it allows you to offer customers quality Iowa grown produce.

Iowa Fruit & Vegetable Growers & Marketers Conference

IFVG, Iowa Farmers Market Assoc. and IDALS held a conference in West Des Moines January 29th-31st. Many of you also attended the conference. Tracy and Jan attended the conference to recruit new vendors/farmers for the EBT Wireless Project. There was a lot of interest in the project. At one point, we had so many interested farmers around our table that two of our experienced farmers (Rose Graves and Donna Brahms) stepped up and helped us answer questions. They know and understand the program as well as we do! Daniel Zimmerman had a booth in the exhibit area and he also fielded questions from several interested farmers. Thanks Rose, Donna and Daniel! It is with all of your support and enthusiasm that has made the EBT Wireless Project so successful. It was so nice to visit with those who attended the conference. *(Update: We've mailed applications to four farmers in the past two weeks. We handed out 30 applications packets at the IFVG conference as well as lots of business cards. We've heard from a couple of them who are already working on the paperwork.)*

Congratulations to Greg Rinehart, who is the newly elected president of the Fruit and Vegetable Growers Assoc. Greg and the Rinehart family, are one of the original seven farmers who started our project back in June 2005.

Hopefully, we'll see you all this summer at the market!



Pictured from left to right: Front row: Polly Rinehart, Tracy Penick (DHS), Judy Henry, Jan Walters (DHS), Brenda Pfautsch. Back row: Leroy Zimmerman, Rose Graves, Ron Graves, Margaret Hala, Donna Brahms, Russ and Elaine Baughman. **Not pictured:** Greg Rinehart, Dean Henry, Daniel Zimmerman, Jan Libbey, Brenda Belloma, Julie Wilber, Gary Huber, Bryan Etchen, Jane & Gary Weber, Mike & Jan Koenecke, Brandon Friedlein, Ronda Elbert, Letha & Dick DeMoss, Greg Grubb, Jeff Albrecht, & Rebecca Rachut.

Inquiry From Alaska Farmer Markets

Iowa DHS staff received a call from Alaska EBT staff. They are working with a new farmers market association and want to implement EBT access on wireless POS equipment, similar to what we've done here in Iowa. Alaska staff gave us a brief lesson about farmers market for their state. We were surprised to learn that they can grow 100 lb pumpkins, as they have extended

daylight hours in the summer. Temperatures typically reach 60-70s in the summer. It sounds like they have quite a few farmers' markets. We shared lots of information with our fellow DHS staff and referenced our DHS website where they can find copies of newsletters and view a video that many of you are featured in.

Shutting Off Machines & Avoiding Monthly Fees

We always seem to be learning new things with this project. We've encountered this situation twice now in the past month and want to share the information with you.

Example: Farmer requested to close their account for the winter effective 1-1-09. DHS submitted paper work to Total Merchant Services in December 08. When DHS pulled a copy of the January statements on February 3, 2009, we saw that the farmer's account was charged for January fees. After investigating the situation, we learned that the farmer used the machine on 1-2-09 and processed a transaction. Because a transaction was processed in January, we have to pay the fees for that month.

Lesson learned is if you want to close a machine down for a certain month, make sure that you put the machine in the box and do not use it to process any transactions. This is important if the farmer wants to avoid paying the \$30 rental fee & \$18.95 wireless fee for a second or third machine.

Openings for New Farmers

In examining total sales for the past two years, there were some farmers with very low sales. We talked to those farmers and discussed their unique situations. Several farmers felt that their circumstances were not going to change, so we came to a mutual decision to terminate their involvement with the EBT Wireless Project. When we look at total sales, we also consider access for the Food Assistance population. If a farmer only sells at a small rural market, their total sales are probably lower compared to a farmer selling in Davenport, IA City, Des Moines, etc. But, if that one farmer is the only vendor who can accept EBT at that market, we want to work with the individual to try to boost sales in order to keep access for low-income families. Bottom line, there is no specific sale amount that you need to participate in the Wireless Project.

Now, with all that said, we have several opening for new vendors. If you are aware of neighbors or other vendors who would benefit from participating in this project, please let us know or email them a copy of this newsletter or make a copy of this newsletter and give it to them.

Refresher Training

If any one would like to have a refresher training session with Jan or Tracy before the market season starts, please call Tracy to schedule an appointment. We can do phone training or explore other options for meeting with you.

Things to Do Before Market Season Begins!

1. If your machine **was not** turned off for the winter, you will want to make sure EBT, debit and credit still works **before** you go to market. You need to use your debit/credit card and run a test transaction for \$.01. If you haven't accepted an EBT card recently, you may want to call Tracy or Jan to run a test transaction.

2. If your machine **was** turned off for the winter and you still have the machine at your house, you must make sure it works **before** you go to any market. You told us when to reactivate your machine. Most of you have indicated a May 1st start date. Remember last year, there were some issues with EBT not re-activated properly. It's best to run some test transactions to make sure everything is working properly.
3. If your machine **was** turned off and **sent** back to Total Merchant Services, you will be receiving a new machine on or about the date you gave us. If you do not have your new machine 4-5 days before the first market starts or when you requested it, give us a call. If you wait till the morning of the first market to call us, there is no way that we can get a machine to you in time for you to go to market.
4. Check your batteries and paper supply. Make sure both batteries are working and you have a good supply of paper rolls. We don't keep a large supply of batteries on hand, so check them a week or two before the market season starts, if possible.

Important Information on Turning Off Your Machine!

When you decide to turn off your wireless machines for the winter or for good it is extremely important that you contact Tracy first, not Total Merchant Services (TMS). The EBT Wireless Program is a special program and therefore the closure forms HAVE to come through us. If you contact TMS directly, you may incur the \$295 early termination fee. We have had two farmers go directly to TMS and one of the farmers even sent the State of Iowa owned equipment back to TMS and it cannot be retrieved. The same farmer also threw away our signs. Because of these actions, the farmer has been billed for the loss State of Iowa equipment. If you have any questions on this issue, please contact Tracy.

Reminders:

1. Since we have so many new farmers, remember that you cannot ring up a sale for another vendor. You could lose your Food Stamp certification and be terminated from the Wireless Project.
2. Since you are paying for the commercial transaction fees, be sure to keep track of what you are paying so you can use those expenses as a tax deduction.
3. You cannot set a minimum purchase amount. If an EBT household wishes to purchase \$.50 in onions, you do need to process the transaction. Same for any debit or credit transaction.
4. If your machine quits working, be sure to call Jan or Tracy right away! Or if need help during the weekend, you can call the 800 phone number on the side of your machine.
5. Let us know if you need any supplies such as paper rolls, power cords, or battery.
6. The second battery that we provide to you was purchased by DHS. If you ever need to return your wireless machine, be sure to keep one battery, carrying case and signs. We will pick them up from you.
7. **Charge your batteries before market.** You should always have a charged battery, ready to go for market. If a battery is not holding a charge, contact Tracy for a replacement.
10. Please make sure to keep the original box that your machine came in as it contains the Sim card, which is needed to identify your machine if you have to call TMS.

Help Desk

We are here to help you!

When you have questions about:

- **Participating in the Wireless project or reimbursement questions? Call Tracy Penick at 515-281-5545 or Jan Walters at 515-281-3588.**
- **What you can sell to EBT customers, or being authorized to accept EBT? Call FNS at 515-284-4035.**
- **Food Assistance eligibility? Call Char Hansen at 515-281-6820.**